

World Trade Situation and Policy Updates

Argentina Agrees to Expand U.S. Citrus and Stone Fruit Market Access

As follow-up to a verbal agreement between former Secretary Glickman and Argentine Agriculture Secretary Berhongaray to resolve several long standing market access issues, bilateral technical consultations were held in Argentina, March 6-7. Argentina committed to changing its agriculture legislation within three months (by the end of May), so that the current impediments to the entry of California citrus would be removed. Argentina finally accepted the widely used "Caribbean fruit fly protocol" as providing adequate safeguards for the export of Florida citrus, and agreed to change the entry requirements within six weeks. Argentina also agreed to administratively amend the requirements for California stone fruit within a month to improve the access for peaches and nectarines. The estimated market potential could reach as high as \$3 million for U.S. citrus and \$5 million for U.S. stone fruit.

Japan Food Service Wholesaler Demonstrates American Foods' Allure in Western Japan

In two highly visible food wholesale exhibitions in Western Japan, sponsored by the Toho Food Service Wholesale Corporation, ATO/Osaka helped introduce 86 American food products to more than 4,000 restaurant industry buyers and chief decision makers. ATO/Osaka managed a USA Food Pavilion and recruited nine importer/agents which displayed and sampled products such as frozen fruits and vegetables, frozen soups, frozen seafood, Tex-Mex food ingredients, pasta, cranberry and citrus juices. The U.S. products featured in the USA Pavilion were listed in Toho's product list as "New Items" and attracted much attention. American company exhibitors are currently following-up inquiries and orders received during the show.

FAO Convened Committee on Agriculture

From March 26-30, the UN Food and Agriculture Organization (FAO) convened its Committee on Agriculture to discuss FAO's program of work in the food and agriculture sector, including activities related to climate variability and change; reducing agricultural vulnerability to storm-related disasters; the place of agriculture in sustainable development; and biosecurity for food and agriculture. FAS/International Cooperation and Development (ICD) led the U.S. Delegation.

FAO Convening Interim Commission on Phytosanitary Measures (ICPM)

From April 2-6, FAO members will meet in Rome to consider adoption of five new phytosanitary

standards, and to establish ICPM's 2001-02 program of work. The revised 1997 text of the International Plant Protection Convention (IPPC) established the Commission of Phytosanitary Measures to oversee implementation of the Convention, which promotes international cooperation to prevent the spread of plant pests, including appropriate measures for their control. The Deputy Administrator of the Animal and Plant Health Inspection Service (APHIS), Richard Dunkle, will lead the U.S. Delegation.

United States Exports Record Level of Almonds to India

U.S. almond exports to India, now the industry's second largest market after Germany, reached a record level of \$70.5 million in CY 2000, up 76 percent from the previous year. Almonds were the leading U.S. agricultural export item to India last year, accounting for over 30 percent of the cumulative export value. Increasing living standards and the expanding number of middle-class consumers have contributed to the substantial increase in shipments. Almonds are very much a part of the cultural eating patterns of consumers in India. The main consumption use of almonds is as a food ingredient, rather than a snack. India sources most of its almonds (approximately 95 percent) from the United States. Through continued market development efforts, and with further liberalization of India's high import duties and tax structure, industry sources believe that U.S. almond exports to India have the potential to top \$100 million per year.

ATO's First Virtual Wine Tasting a Big Success

The Wine Tasting targeted Mexico City's five star hotel and restaurant industry (HRI), with nearly \$70,000 in sales reported for the 12-month period following the event. The ATO worked closely with the California Office of Trade and Investment to identify and recruit those Mexican wine importers/distributors interested in promoting U.S. wines. Four Mexican distributors representing seven different U.S. wineries participated in the event. The winery owners/head vintners in the United States led the tasting via video teleconference, providing background information on their respective wines and the wineries, while their distributors, on-location at the video teleconference site in Mexico City, actually poured the wines, provided wine notes, answered technical questions, and took orders.

APHIS Begins Phytosanitary Training in Ghana

This month, through an FAS/ICD-administered, U.S. Agency for International Development (USAID)-funded project, APHIS will begin training phytosanitary inspectors from Ghana's Ministry of Food and Agriculture Plant Protection, Regulatory Services Directorate. The training will include study tours to airports, seaports, land border ports, and APHIS plant protection and quarantine facilities to cover phytosanitary certification requirements, import permit and inspection procedures, fumigation/other treatments, pest identification, and framework protocols. The training is a result of a February visit to

Ghana by FAS, APHIS, and AMS specialists to conduct a grades, standards, and market information assessment.

USDA Grants Protection to 28 New Plant Varieties

The U.S. Department of Agriculture has issued certificates of protection to developers of 28 new varieties of seed-reproduced plants. The protected seeds include corn, lettuce, pea, soybean, and watermelon. The new certificates are being issued under the Plant Variety Protection Act (PVPA). The certificates require that the varieties be new, distinct, uniform, and stable. The owners will have the exclusive right to reproduce, sell, import, and export their products in the United States for the duration of protection. USDA's Agricultural Marketing Service (AMS) administers the PVPA, which provides limited time marketing protection to developers of new and distinct seed-reproduced and tuber-propagated plants ranging from farm crops to flowers. (For additional information about the PVPA, contact AMS at 301-504-5518.)

USDA Issues Referendum Order on Proposed Amendments to Washington Sweet Cherry Marketing Order

The U.S. Department of Agriculture has issued a referendum order on proposed amendments to the federal marketing agreement and order for sweet cherries grown in designated counties in Washington State. USDA will conduct the referendum April 10-27, 2001, to determine support for the amendments. Ballot material will be mailed to all known sweet cherry growers in the order's production area, including the additional counties proposed for inclusion. If the referendum is approved, it would increase the marketing order's authority by expanding its production area to include all counties in Washington State east of the Cascade Mountain Range. Other proposed amendments would: (1) increase representation on the committee; (2) allow cherries to be shipped outside the production area for handling; (3) authorize collection of late payment charges and/or interest on handlers' late payments of assessments; (4) add authority to establish container marking requirements; (5) and simplify the form filing process for committee members and alternates seeking committee positions. (For additional information, contact Kathleen M. Finn at 202-720-2491)

Independent Panel Completes Biotechnology Report for the EPA

A panel of independent scientists convened by the Environmental Protection Agency (EPA) has completed its report which provides input on EPA's preliminary comprehensive reassessment of all *Bacillus thuringiensis* (Bt) corn, cotton, and potato plant incorporated protectants. EPA solicited advice from the Scientific Advisory Panel (SAP) during a public meeting held October 18-20, 2000, to ensure that the

Agency's reassessment of currently-registered biotechnology products utilizes the most current scientific understanding, and meets the most stringent public health and environmental safety standards. These protectants are regulated by EPA as pesticides because they have been engineered to contain Bt, a naturally-occurring substance which acts to combat insect pests. EPA's next step is to proceed with its comprehensive evaluation of the existing Bt registrations, taking into account all data available to the Agency, the SAP's recommendations, any newly submitted information and public comments. EPA will then publish the revised reassessment for public comment, which will include proposed registration decisions on the Bt products. (For additional information, contact David Deegan 202-564-7839 or deegan.dave@epa.gov.)

Winery Finds Success in Malaysia

Ironstone Winery of Murphy's, California recently hosted two Winemaker's Dinners in Kuala Lumpur. The events, which were attended by more than 200 people, highlighted Ironstone's popular Obsession wine and their library collection. Organized by their distributor, Harrison's Trading, and cosponsored by the U.S. Meat Export Federation (USMEF), Ironstone provided their in-house chef to showcase U.S. beef on the menu. The Ironstone representative informed the Agricultural Attaché in Kuala Lumpur that the market for Ironstone wines in Malaysia grew from zero barely a year ago, to more than 5,000 cases today, making it one of the largest markets in Asia for Ironstone wines, and certainly the fastest growing. The combination of a good product and the right distributor has led to this success, according to Ironstone. The Office of the Agricultural Attaché introduced Ironstone to Harrison's Trading.

Mexico's 2001 Tariff Rate Quota for U.S. Potato Products Fills

Mexico's Secretariat of Economy (SECO) has announced that the 2001 NAFTA tariff-rate quota (TRQ) for potato products (frozen, prepared/preserved, and fries – H.S. 2004.10.01) has been filled. As a result, beginning March 6, and for the remainder of the year, imports of these products from the United States will be subject to the 20-percent tariff authorized under NAFTA. The in-quota tariff is 4 percent and the TRQ in effect for the current year is 3,813 tons. The TRQ for CY 2000 was 3,702 tons and was filled by April 5, one month later than this year. The U.S. potato industry has requested U.S. trade negotiators and Congress to press vigorously for the early elimination of Mexico's NAFTA TRQ and out-of-quota tariff for these products. According to Census Bureau data, U.S. potato fry exports to Mexico in CY 2000 totaled 31,200 metric tons, valued at \$22 million, up 20 percent in volume and 22 percent in value from the previous year.